

Brian Zimmerman, Esq. (*Admitted Pro Hac Vice*)
Jessica E. Chong, Esq. (CA State Bar No. 317869)
Spencer Fane LLP
3040 Post Oak Boulevard, Suite 1400
Houston, TX 77056
Telephone: (713) 552-1234
Facsimile: (713) 963-0859
bzimmerman@spencerfane.com
jchong@spencerfane.com

Theresa C. Becerra, Esq. (CA State Bar No.
205338)
Spencer Fane LLP
201 Santa Monica Blvd., Suite 550
Santa Monica, CA 90401
Telephone: (424) 217-1830
Facsimile: (424) 217-1854
tbecerra@spencerfane.com

Jiangang Ou, Esq. (*Admitted Pro Hac Vice*)
ARCHER & GREINER, P.C.
3040 Post Oak Boulevard, Suite 1800-150
Houston, TX 77056
jou@archerlaw.com

***Attorneys for Defendants
Matsunichi Digital USA, Inc. and
Zhuang Li***

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

Shantou Xiahong Toys Co., Ltd.

Plaintiff,

v.

Matsunichi Digital USA, Inc.;
Zhuang Li aka Ali Can;
Bin Wang; and
DOES 1 – 50 inclusive,

Defendants.

Case No. 8:23-cv-02264-WLH-ADSx

STIPULATED PROTECTIVE ORDER

I. PURPOSES AND LIMITATIONS

A. Discovery in this action is likely to involve production of confidential, proprietary, or private information for which special protection from public disclosure and from use for any purpose other than prosecuting this litigation may be warranted. Accordingly, the parties hereby stipulate to and petition the Court to enter the following Stipulated Protective Order. The parties acknowledge that this Order does not confer blanket protections on all disclosures or responses to discovery and that the protection it affords from public disclosure and use extends only to the limited information or items that are entitled to confidential treatment under the applicable legal principles. The parties further acknowledge, as set forth in Section XIII(C), below, that this Stipulated Protective Order does not entitle them to file confidential information under seal; Civil Local Rule 79-5 sets forth the procedures that must be followed and the standards that will be applied when a party seeks permission from the Court to file material under seal.

II. GOOD CAUSE STATEMENT

A. This action is likely to involve trade secrets, customer and pricing lists and other valuable research, development, commercial, financial, technical and/or proprietary information for which special protection from public disclosure and from use for any purpose other than prosecution of this action is warranted. Such confidential and proprietary materials and information consist of, among other things, confidential business or financial information, information regarding confidential business practices, or other confidential research, development, or commercial information (including information implicating privacy rights of third parties), information otherwise generally unavailable to the public, or which may be privileged or otherwise protected from disclosure under state or federal statutes, court rules, case decisions, or common law.

1 Accordingly, to expedite the flow of information, to facilitate the prompt resolution of
2 disputes over confidentiality of discovery materials, to adequately protect information
3 the parties are entitled to keep confidential, to ensure that the parties are permitted
4 reasonable necessary uses of such material in preparation for and in the conduct of trial,
5 to address their handling at the end of the litigation, and serve the ends of justice, a
6 protective order for such information is justified in this matter. It is the intent of the
7 parties that information will not be designated as confidential for tactical reasons and
8 that nothing be so designated without a good faith belief that it has been maintained in
9 a confidential, non-public manner, and there is good cause why it should not be part of
10 the public record of this case.

11 **III. DEFINITIONS**

12 A. Action: *Shantou Xiahong Toys Co., Ltd. v. Matusnichi Digital USA, Inc.*
13 *et al.*, and related counterclaim, 8:23-cv-02264-WLH-ADSx.

14 B. Challenging Party: A Party or Non-Party that challenges the designation
15 of information or items under this Order.

16 C. “CONFIDENTIAL” Information or Items: Information (regardless of how
17 it is generated, stored or maintained) or tangible things that qualify for protection under
18 Federal Rule of Civil Procedure 26(c), and as specified above in the Good Cause
19 Statement.

20 D. Counsel: Outside Counsel of Record and House Counsel (as well as their
21 support staff).

22 E. Designating Party: A Party or Non-Party that designates information or
23 items that it produces in disclosures or in responses to discovery as “CONFIDENTIAL.”
24

1 F. Disclosure or Discovery Material: All items or information, regardless of
2 the medium or manner in which it is generated, stored, or maintained (including, among
3 other things, testimony, transcripts, and tangible things), that are produced or generated
4 in disclosures or responses to discovery in this matter.

5 G. Expert: A person with specialized knowledge or experience in a matter
6 pertinent to the litigation who has been retained by a Party or its counsel to serve as an
7 expert witness or as a consultant in this Action.

8 H. House Counsel: Attorneys who are employees of a party to this Action.
9 House Counsel does not include Outside Counsel of Record or any other outside counsel.

10 I. Non-Party: Any natural person, partnership, corporation, association, or
11 other legal entity not named as a Party to this action.

12 J. Outside Counsel of Record: Attorneys who are not employees of a party to
13 this Action but are retained to represent or advise a party to this Action and have
14 appeared in this Action on behalf of that party or are affiliated with a law firm which has
15 appeared on behalf of that party, and includes support staff.

16 K. Party: Any party to this Action, including all of its officers, directors,
17 employees, consultants, retained experts, and Outside Counsel of Record (and their
18 support staffs).

19 L. Producing Party: A Party or Non-Party that produces Disclosure or
20 Discovery Material in this Action.

21 M. Professional Vendors: Persons or entities that provide litigation support
22 services (e.g., photocopying, videotaping, translating, preparing exhibits or
23 demonstrations, and organizing, storing, or retrieving data in any form or medium) and
24 their employees and subcontractors.

1 N. Protected Material: Any Disclosure or Discovery Material that is
2 designated as “CONFIDENTIAL.”

3 O. Receiving Party: A Party that receives Disclosure or Discovery Material
4 from a Producing Party.

5 **IV. SCOPE**

6 A. The protections conferred by this Stipulation and Order cover not only
7 Protected Material (as defined above), but also (1) any information copied or extracted
8 from Protected Material; (2) all copies, excerpts, summaries, or compilations of
9 Protected Material; and (3) any testimony, conversations, or presentations by Parties or
10 their Counsel that might reveal Protected Material.

11 B. Any use of Protected Material at trial shall be governed by the orders of the
12 trial judge. This Order does not govern the use of Protected Material at trial.

13 **V. DURATION**

14 A. Even after final disposition of this litigation, the confidentiality obligations
15 imposed by this Order shall remain in effect until a Designating Party agrees otherwise
16 in writing or a court order otherwise directs. Final disposition shall be deemed to be the
17 later of (1) dismissal of all claims and defenses in this Action, with prejudice; and (2)
18 final judgment herein after the completion and exhaustion of all appeals, rehearings,
19 remands, trials, or reviews of this Action, including the time limits for filing any motions
20 or applications for extension of time pursuant to applicable law.

21 **VI. DESIGNATING PROTECTED MATERIAL**

22 A. Exercise of Restraint and Care in Designating Material for Protection

23 1. Each Party or Non-Party that designates information or items for
24 protection under this Order must take care to limit any such designation to specific

1 material that qualifies under the appropriate standards. The Designating Party must
2 designate for protection only those parts of material, documents, items, or oral or written
3 communications that qualify so that other portions of the material, documents, items, or
4 communications for which protection is not warranted are not swept unjustifiably within
5 the ambit of this Order.

6 2. Mass, indiscriminate, or routinized designations are prohibited.
7 Designations that are shown to be clearly unjustified or that have been made for an
8 improper purpose (e.g., to unnecessarily encumber the case development process or to
9 impose unnecessary expenses and burdens on other parties) may expose the Designating
10 Party to sanctions.

11 3. If it comes to a Designating Party's attention that information or items that
12 it designated for protection do not qualify for protection, that Designating Party must
13 promptly notify all other Parties that it is withdrawing the inapplicable designation.

14 B. Manner and Timing of Designations

15 1. Except as otherwise provided in this Order (*see, e.g.*, Section B(2)(b)
16 below), or as otherwise stipulated or ordered, Disclosure or Discovery Material that
17 qualifies for protection under this Order must be clearly so designated before the
18 material is disclosed or produced.

19 2. Designation in conformity with this Order requires the following:

20 a. For information in documentary form (e.g., paper or electronic documents,
21 but excluding transcripts of depositions or other pretrial or trial proceedings), that the
22 Producing Party affix at a minimum, the legend "CONFIDENTIAL" (hereinafter
23 "CONFIDENTIAL legend"), to each page that contains protected material. If only a
24 portion or portions of the material on a page qualifies for protection, the Producing Party

1 also must clearly identify the protected portion(s) (e.g., by making appropriate markings
2 in the margins).

3 b. A Party or Non-Party that makes original documents available for
4 inspection need not designate them for protection until after the inspecting Party has
5 indicated which documents it would like copied and produced. During the inspection
6 and before the designation, all of the material made available for inspection shall be
7 deemed “CONFIDENTIAL.” After the inspecting Party has identified the documents it
8 wants copied and produced, the Producing Party must determine which documents, or
9 portions thereof, qualify for protection under this Order. Then, before producing the
10 specified documents, the Producing Party must affix the “CONFIDENTIAL” designation
11 to each page that contains Protected Material. If only a portion or portions of the
12 material on a page qualifies for protection, the Producing Party also must clearly identify
13 the protected portion(s) (e.g., by making appropriate markings in the margins).

14 c. For testimony given in depositions, that the Designating Party identify the
15 Disclosure or Discovery Material on the record, before the close of the deposition all
16 protected testimony.

17 d. For information produced in form other than document and for any other
18 tangible items, that the Producing Party affix in a prominent place on the exterior of the
19 container or containers in which the information is stored the legend “CONFIDENTIAL.”
20 If only a portion or portions of the information warrants protection, the Producing Party,
21 to the extent practicable, shall identify the protected portion(s).

22 C. Inadvertent Failure to Designate

23 1. If timely corrected, an inadvertent failure to designate qualified
24 information or items does not, standing alone, waive the Designating Party’s right to

1 secure protection under this Order for such material. Upon timely correction of a
2 designation, the Receiving Party must make reasonable efforts to assure that the material
3 is treated in accordance with the provisions of this Order.

4 **VII. CHALLENGING CONFIDENTIALITY DESIGNATIONS**

5 A. Timing of Challenges

6 1. Any party or Non-Party may challenge a designation of confidentiality at
7 any time that is consistent with the Court's Scheduling Order.

8 B. Meet and Confer

9 1. The Challenging Party shall initiate the dispute resolution process under
10 Local Rule 37.1 et seq. or follow the procedures for informal, telephonic discovery
11 hearings on the Court's website.

12 C. The burden of persuasion in any such challenge proceeding shall be on the
13 Designating Party. Frivolous challenges, and those made for an improper purpose (e.g.,
14 to harass or impose unnecessary expenses and burdens on other parties) may expose the
15 Challenging Party to sanctions. Unless the Designating Party has waived or withdrawn
16 the confidentiality designation, all parties shall continue to afford the material in
17 question the level of protection to which it is entitled under the Producing Party's
18 designation until the Court rules on the challenge.

19 **VIII. ACCESS TO AND USE OF PROTECTED MATERIAL**

20 A. Basic Principles

21 1. A Receiving Party may use Protected Material that is disclosed or produced
22 by another Party or by a Non-Party in connection with this Action only for prosecuting,
23 defending, or attempting to settle this Action. Such Protected Material may be disclosed
24 only to the categories of persons and under the conditions described in this Order. When

1 the Action has been terminated, a Receiving Party must comply with the provisions of
2 Section XIV below.

3 2. Protected Material must be stored and maintained by a Receiving Party at
4 a location and in a secure manner that ensures that access is limited to the persons
5 authorized under this Order.

6 B. Disclosure of “CONFIDENTIAL” Information or Items

7 1. Unless otherwise ordered by the Court or permitted in writing by the
8 Designating Party, a Receiving Party may disclose any information or item designated
9 “CONFIDENTIAL” only to:

10 a. The Receiving Party’s Outside Counsel of Record in this Action, as well as
11 employees of said Outside Counsel of Record to whom it is reasonably necessary to
12 disclose the information for this Action;

13 b. The officers, directors, and employees (including House Counsel) of the
14 Receiving Party to whom disclosure is reasonably necessary for this Action;

15 c. Experts (as defined in this Order) of the Receiving Party to whom
16 disclosure is reasonably necessary for this Action and who have signed the
17 “Acknowledgment and Agreement to Be Bound” (Exhibit A);

18 d. The Court and its personnel;

19 e. Court reporters and their staff;

20 f. Professional jury or trial consultants, mock jurors, and Professional
21 Vendors to whom disclosure is reasonably necessary for this Action and who have signed
22 the “Acknowledgment and Agreement to be Bound” attached as Exhibit A hereto;

23 g. The author or recipient of a document containing the information or a
24 custodian or other person who otherwise possessed or knew the information;

1 h. During their depositions, witnesses, and attorneys for witnesses, in the
2 Action to whom disclosure is reasonably necessary provided: (i) the deposing party
3 requests that the witness sign the “Acknowledgment and Agreement to Be Bound;” and
4 (ii) they will not be permitted to keep any confidential information unless they sign the
5 “Acknowledgment and Agreement to Be Bound,” unless otherwise agreed by the
6 Designating Party or ordered by the Court. Pages of transcribed deposition testimony or
7 exhibits to depositions that reveal Protected Material may be separately bound by the
8 court reporter and may not be disclosed to anyone except as permitted under this
9 Stipulated Protective Order; and

10 i. Any mediator or settlement officer, and their supporting personnel,
11 mutually agreed upon by any of the parties engaged in settlement discussions.

12 **IX. PROTECTED MATERIAL SUBPOENAED OR ORDERED PRODUCED**
13 **IN OTHER LITIGATION**

14 A. If a Party is served with a subpoena or a court order issued in other
15 litigation that compels disclosure of any information or items designated in this Action
16 as “CONFIDENTIAL,” that Party must:

17 1. Promptly notify in writing the Designating Party. Such notification shall
18 include a copy of the subpoena or court order;

19 2. Promptly notify in writing the party who caused the subpoena or order to
20 issue in the other litigation that some or all of the material covered by the subpoena or
21 order is subject to this Protective Order. Such notification shall include a copy of this
22 Stipulated Protective Order; and

23 3. Cooperate with respect to all reasonable procedures sought to be pursued
24 by the Designating Party whose Protected Material may be affected.

1 B. If the Designating Party timely seeks a protective order, the Party served
2 with the subpoena or court order shall not produce any information designated in this
3 action as “CONFIDENTIAL” before a determination by the Court from which the
4 subpoena or order issued, unless the Party has obtained the Designating Party’s
5 permission. The Designating Party shall bear the burden and expense of seeking
6 protection in that court of its confidential material and nothing in these provisions
7 should be construed as authorizing or encouraging a Receiving Party in this Action to
8 disobey a lawful directive from another court.

9 **X. A NON-PARTY’S PROTECTED MATERIAL SOUGHT TO BE**
10 **PRODUCED IN THIS LITIGATION**

11 A. The terms of this Order are applicable to information produced by a Non-
12 Party in this Action and designated as “CONFIDENTIAL.” Such information produced
13 by Non-Parties in connection with this litigation is protected by the remedies and relief
14 provided by this Order. Nothing in these provisions should be construed as prohibiting
15 a Non-Party from seeking additional protections.

16 B. In the event that a Party is required, by a valid discovery request, to
17 produce a Non-Party’s confidential information in its possession, and the Party is subject
18 to an agreement with the Non-Party not to produce the Non-Party’s confidential
19 information, then the Party shall:

20 1. Promptly notify in writing the Requesting Party and the Non-Party that
21 some or all of the information requested is subject to a confidentiality agreement with a
22 Non-Party;
23
24

2. Promptly provide the Non-Party with a copy of the Stipulated Protective Order in this Action, the relevant discovery request(s), and a reasonably specific description of the information requested; and

3. Make the information requested available for inspection by the Non-Party, if requested.

C. If the Non-Party fails to seek a protective order from this court within 14 days of receiving the notice and accompanying information, the Receiving Party may produce the Non-Party's confidential information responsive to the discovery request. If the Non-Party timely seeks a protective order, the Receiving Party shall not produce any information in its possession or control that is subject to the confidentiality agreement with the Non-Party before a determination by the court. Absent a court order to the contrary, the Non-Party shall bear the burden and expense of seeking protection in this court of its Protected Material.

XI. UNAUTHORIZED DISCLOSURE OF PROTECTED MATERIAL

A. If a Receiving Party learns that, by inadvertence or otherwise, it has disclosed Protected Material to any person or in any circumstance not authorized under this Stipulated Protective Order, the Receiving Party must immediately (1) notify in writing the Designating Party of the unauthorized disclosures, (2) use its best efforts to retrieve all unauthorized copies of the Protected Material, (3) inform the person or persons to whom unauthorized disclosures were made of all the terms of this Order, and (4) request such person or persons to execute the "Acknowledgment and Agreement to be Bound" that is attached hereto as Exhibit A.

XII. INADVERTENT PRODUCTION OF PRIVILEGED OR OTHERWISE PROTECTED MATERIAL

A. When a Producing Party gives notice to Receiving Parties that certain inadvertently produced material is subject to a claim of privilege or other protection, the obligations of the Receiving Parties are those set forth in Federal Rule of Civil Procedure 26(b)(5)(B). This provision is not intended to modify whatever procedure may be established in an e-discovery order that provides for production without prior privilege review. Pursuant to Federal Rule of Evidence 502(d) and (e), insofar as the parties reach an agreement on the effect of disclosure of a communication or information covered by the attorney-client privilege or work product protection, the parties may incorporate their agreement in the Stipulated Protective Order submitted to the Court.

XIII. MISCELLANEOUS

A. Right to Further Relief

1. Nothing in this Order abridges the right of any person to seek its modification by the Court in the future.

B. Right to Assert Other Objections

1. By stipulating to the entry of this Protective Order, no Party waives any right it otherwise would have to object to disclosing or producing any information or item on any ground not addressed in this Stipulated Protective Order. Similarly, no Party waives any right to object on any ground to use in evidence of any of the material covered by this Protective Order.

C. Filing Protected Material

1. A Party that seeks to file under seal any Protected Material must comply with Civil Local Rule 79-5. Protected Material may only be filed under seal pursuant to

1 a court order authorizing the sealing of the specific Protected Material at issue. If a
2 Party's request to file Protected Material under seal is denied by the Court, then the
3 Receiving Party may file the information in the public record unless otherwise instructed
4 by the Court.

5 **XIV. FINAL DISPOSITION**

6 A. After the final disposition of this Action, as defined in Section V, within
7 sixty (60) days of a written request by the Designating Party, each Receiving Party must
8 return all Protected Material to the Producing Party or destroy such material. As used in
9 this subdivision, "all Protected Material" includes all copies, abstracts, compilations,
10 summaries, and any other format reproducing or capturing any of the Protected
11 Material. Whether the Protected Material is returned or destroyed, the Receiving Party
12 must submit a written certification to the Producing Party (and, if not the same person
13 or entity, to the Designating Party) by the 60 day deadline that (1) identifies (by category,
14 where appropriate) all the Protected Material that was returned or destroyed and (2)
15 affirms that the Receiving Party has not retained any copies, abstracts, compilations,
16 summaries or any other format reproducing or capturing any of the Protected Material.
17 Notwithstanding this provision, Counsel are entitled to retain an archival copy of all
18 pleadings, motion papers, trial, deposition, and hearing transcripts, legal memoranda,
19 correspondence, deposition and trial exhibits, expert reports, attorney work product, and
20 consultant and expert work product, even if such materials contain Protected Material.
21 Any such archival copies that contain or constitute Protected Material remain subject to
22 this Protective Order as set forth in Section V.

1 B. Any violation of this Order may be punished by any and all appropriate
2 measures including, without limitation, contempt proceedings and/or monetary
3 sanctions.

4
5 **IT IS SO STIPULATED, THROUGH COUNSEL OF RECORD.**

6 Dated: February 27, 2025

/s/ Vahe Khojayan

Vahe Khojayan
Attorney(s) for Plaintiff

7
8
9 Dated: February 27, 2025

/s/ Jessica E. Chong

Jessica E. Chong
Attorney(s) for Defendants

10
11
12 I, Jessica E. Chong, attest that all other signatories listed, and on whose behalf
13 the filing is submitted, concur in the filing's content and have authorized the filing.

14 /s/ Jessica E. Chong

15
16 **FOR GOOD CAUSE SHOWN, IT IS SO ORDERED.**

17 Dated: 03/03/2025

/s/ Autumn D. Spaeth

HONORABLE AUTUMN D. SPAETH
United States Magistrate Judge

EXHIBIT A
ACKNOWLEDGMENT AND AGREEMENT TO BE BOUND

I, _____ [print or type full name], of _____
_____ [print or type full address], declare under penalty of perjury that I
have read in its entirety and understand the Stipulated Protective Order that was issue
by the United States District Court for the Central District of California on [DATE] in
the case of _____ [insert formal name of the case and the
number and initials assigned to it by the Court]. I agree to comply with and to be
bound by all the terms of this Stipulated Protective Order and I understand and
acknowledge that failure to so comply could expose me to sanctions and punishment in
the nature of contempt. I solemnly promise that I will not disclose in any manner any
information or item that is subject to this Stipulated Protective Order to any person or
entity except in strict compliance with the provisions of this Order.

I further agree to submit to the jurisdiction of the United States District Court
for the Central District of California for the purpose of enforcing the terms of this
Stipulated Protective Order, even if such enforcement proceedings occur after
termination of this action. I hereby appoint _____ [print or
type full name] of _____ [print or type full address and
telephone number] as my California agent for service of process in connection with this
action or any proceedings related to enforcement of this Stipulated Protective Order.

Date: _____

City and State where sworn and signed: _____

Printed Name: _____

Signature: _____